

ASSEMBLY, No. 128

STATE OF NEW JERSEY

220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Assemblyman PARKER SPACE

District 24 (Morris, Sussex and Warren)

Assemblyman HAROLD "HAL" J. WIRTHS

District 24 (Morris, Sussex and Warren)

SYNOPSIS

Exempts certain water quality management structures, funded by certain federal and State grants, from real property taxation.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** exempting certain water quality management structures
2 from real property taxation and supplementing Title 54 of the
3 Revised Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. As used in this act:

9 “Board of appeals” means the construction board of appeals
10 established under section 9 of P.L.1975, c.217 (C.52:27D-127),
11 having jurisdiction in the municipality in which the property is
12 located.

13 “Director” means the Director of the Division of Taxation in the
14 Department of the Treasury.

15 “Enforcing agency” means the enforcing agency in any
16 municipality provided for under the “State Uniform Construction
17 Code Act,” P.L.1975, c.217 (C.52:27D-119 et seq.) and rules and
18 regulations adopted pursuant thereto.

19 “Water quality management structure” means a physical
20 structure designed and installed using, in whole or in part, federal
21 grant money from the Natural Resource Conservation Service in the
22 United States Department of Agriculture, the Department of
23 Agriculture, or the State Agriculture Development Committee, and
24 for the purposes of improving water quality.

25
26 2. A water quality management structure installed after the
27 effective date of this act and certified by the enforcing agency shall
28 be exempt from taxation under chapter 4 of Title 54 of the Revised
29 Statutes. The owner of real property with a certified water quality
30 management structure may have exempted annually from the
31 assessed valuation of the real property a sum equal to the remainder
32 of the assessed valuation of the real property with the water quality
33 management structure included, minus the assessed valuation of the
34 real property without the water quality management structure.

35
36 3. The enforcing agency shall certify that a water quality
37 management structure is exempt from taxation pursuant to this act
38 when the water quality management structure was designed,
39 constructed, and financed in accordance with this act and any rules
40 or regulations adopted by the director pursuant thereto. The
41 enforcing agency may at any time inquire into the right of a
42 claimant to the exemption, and for that purpose may require the
43 filing of a new application or the submission of any proof necessary
44 to determine the right of the claimant to the continuation of the
45 exemption. The enforcing agency shall have the authority to make
46 an inspection of the premises which are the subject of the claim for
47 exemption under this act.

- 1 4. a. A claimant shall submit a written application made on a
2 form and in a manner prescribed by the director. The form shall be
3 made available to claimants by the enforcing agency.
- 4 b. The enforcing agency shall issue a certification when it
5 determines that a water quality management structure is exempt
6 from taxation pursuant to this act. The certificate shall contain
7 information identifying the water quality management structure and
8 its cost, and shall conform to any other requirements prescribed by
9 the director. The certificate shall be provided to the claimant, a
10 copy shall be retained on file by the enforcing agency, and a copy
11 shall be sent to the assessor of the taxing district in which the
12 property is located. The exemption from taxation for the water
13 quality management structure shall become effective for the tax
14 year following the year in which certification was granted.
15
- 16 5. The enforcing agency, after giving notice to the holder of a
17 water quality management structure certificate, may revoke the
18 certificate under the following circumstances:
- 19 a. the certificate was obtained by fraud or misrepresentation;
20 b. the claimant for tax exemption has failed substantially to
21 proceed with the construction, reconstruction, installation, or
22 acquisition of a water quality management structure;
23 c. the water quality management structure to which the
24 certificate relates has ceased to be used for the primary purpose by
25 which it was constructed and is being used for a different primary
26 purpose;
27 d. the claimant for tax exemption has so departed from the
28 equipment, design, and construction previously certified by the
29 enforcing agency that, in the opinion of the enforcing agency, the
30 water quality management structure is not suitable and reasonably
31 adequate for the purposes initially intended.
32
- 33 6. a. A person aggrieved by an action of the enforcing agency
34 may seek review before the board of appeals.
- 35 b. A person aggrieved by any action of the assessor or of the
36 county tax board may seek a review of such action in the State Tax
37 Court by filing a complaint in the Tax Court, pursuant to rules of
38 court.
39
- 40 7. The director shall adopt, pursuant to the “Administrative
41 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), rules and
42 regulations necessary for the proper certification of a tax exemption
43 pursuant to this act, the form of a certificate to be issued, standards
44 with respect to the technical sufficiency of a water quality
45 management system to qualify for the exemption, and any other
46 matter related to the exemption.
47
- 48 8. This act shall be effective on the first day of the taxable year

1 next following the date of enactment, except that the director may
2 take any advance administrative actions necessary for the
3 implementation of the act.

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6 STATEMENT
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8 This bill would exempt from real property taxation certain water
9 quality management structures funded, in whole or in part, by
10 certain federal and State grants. The bill defines “water quality
11 management structure” as a physical structure designed and
12 installed using a grant from the United States Conservation Service
13 in the Department of Agriculture, the Department of Agriculture, or
14 the State Agriculture Development Committee for purposes of
15 improving water quality. Any water quality management structure
16 that qualifies under the bill would be exempt from property taxation
17 under chapter 4 of Title 54. The owner of real property with a
18 certified water quality management structure would have exempted
19 annually from the assessed valuation of the real property a sum
20 equal to the remainder of the assessed valuation of the real property
21 with the water quality management structure included, minus the
22 assessed valuation of the real property without the water quality
23 management structure.

24 The enforcing agency in any municipality would make the
25 decision to grant a certification that the structures qualify after
26 receiving a written application. The enforcing agency may inquire
27 into the right of a claimant to the exemption and may require the
28 filing of a new application or the submission of any proof necessary
29 to determine the continuation of the exemption. The enforcing
30 agency would also have the authority to make an inspection of the
31 premises. The exemption for the water quality management
32 structure would begin the tax year following the year in which
33 certification was granted.

34 The enforcing agency may revoke the certificate if: the
35 certificate was obtained by fraud or misrepresentation; the claimant
36 fails to proceed with the construction, reconstruction, installation,
37 or acquisition of a water quality management structure; the water
38 quality management structure to which the certificate relates is
39 being used for a different primary purpose; or the claimant has so
40 departed from the equipment, design, and construction previously
41 certified by the enforcing agency that, the water quality
42 management structure is not suitable the purposes initially intended.

43 The bill also requires the Director of the Division of Taxation in
44 the Department of the Treasury to adopt rules and regulations
45 necessary for certification of the water quality management
46 systems, including the technical sufficiency of a water quality
47 management system to qualify for an exemption, for the
48 implementation of the act.